

Message Text

CONFIDENTIAL

PAGE 01 STATE 034944
ORIGIN NEA-10

INFO OCT-01 EUR-12 ISO-00 L-03 SOE-02 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 DOE-11 H-01 INR-10
INT-05 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-01 SSM-03
/133 R

DRAFTED BY NEA/EGY:D E ZWEIFEL:MM
APPROVED BY NEA:N A VELIOTES
NEA/EGY:D O NEWBERRY
NEA/IAI:G KULICK
L/NEA:D SMALL
EUR/WE:B MCKINLEY

-----099582 101427Z /47

R 092242Z PEB 78
FM SECSTATE WASHDC
TO AMEMBASSY ROME
INFO AMEMBASSY BRUSSELS
AMEMBASSY CAIRO
AMEMBASSY TEL AVIV

C O N F I D E N T I A L STATE 034944

FOR USEEC

E.O. 11652: GDS

TAGS: ENRG, IS, EG, IT, US

SUBJECT: DISPUTED PETROLEUM CONCESSIONS IN SINAI AND GULF
OF SUEZ

REF: ROME 1948

1. YOU MAY INFORM MFA THAT USG LEGAL POSITION AS SET FORTH
IN 1976 MEMORANDUM REMAINS UNCHANGED, ALTHOUGH WE WILL CON-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 034944

TINUE TO EXAMINE COUNTERARGUMENTS PRESENTED BY ISRAEL AND
HER CONCESSIONAIRES. WE HAVE REITERATED THIS POSITION
IN RECENT CONVERSATIONS WITH COMPANY OFFICIALS FROM BOTH
AMOCO AND NEPTUNE (LATTER IS AMERICAN COMPANY, OPERATING
UNDER ISRAELI LICENSE, WHICH RECENTLY DISCOVERED OIL IN
GULF OF SUEZ AREA TO WHICH AMOCO HOLDS 1974 CONCESSION.)

2. YOU ALSO MAY TELL ITALIANS THAT, TO DATE, AMOCO HAS NOT REQUESTED USG FORMAL ESPOUSAL OF ANY COMMERCIAL CLAIM. HOWEVER, CONSONANT WITH OUR RECOGNITION OF THE VALIDITY OF AMOCO CONCESSION OVER THAT GRANTED BY ISRAELIS TO NEPTUNE, WE WOULD HAVE TO GIVE CAREFUL CONSIDERATION TO ANY SUCH REQUEST SHOULD AMOCO APPROACH US. WE HAVE MADE THIS CLEAR TO NEPTUNE REPRESENTATIVES.

3. FINALLY, YOU SHOULD THANK MFA FOR EXCHANGE OF VIEWS ON THIS SUBJECT AND EXPRESS HOPE THAT ITALIANS WILL KEEP US INFORMED OF THEIR DECISION RE ESPOUSAL OF AGIP CLAIM.

4. FYI. THROUGH NEPTUNE OFFICIALS, BEGIN GOVERNMENT HAS PRESSED FOR USG "NEUTRALITY" IN THIS COMPLICATED DISPUTE. ISRAELIS ALLEGEDLY WOULD LIKE SOLUTION WHEREBY ISRAELI LICENSEES WOULD BE ACCEPTED AS GOE CONCESSIONAIRES COINCIDENT WITH RETURN OF PHYSICAL CONTROL OVER AREA TO EGYPT. UNDER PROPOSED FORMULATION, NEPTUNE AND OTHER ISRAELI-LICENSED COMPANIES WOULD WORK CONCESSIONS, ISRAEL WOULD PURCHASE EXPORT PRODUCTION, AND GOE WOULD BE FINANCIAL BENEFICIARY. ALTHOUGH WE HAVE TAKEN POSITION THAT USG WOULD WELCOME AMICABLE SETTLEMENT ACCEPTABLE TO ALL PARTIES CONCERNED (I.E. GOVERNMENTS AND COMPANIES), THIS ESSENTIALLY IS MATTER FOR RESOLUTION BETWEEN GOE AND GOI IN CONTEXT OF PEACE NEGOTIATIONS. MEANWHILE, GOE CONTINUES TO STAND BY ARRANGEMENT WITH AMOCO. WE CONTINUE OUR CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 034944

READINESS TO PROTECT THAT COMPANY'S RIGHTS, IN ACCORDANCE WITH OUR ESTABLISHED PRACTICE.

5. ACCORDING TO OUR INFORMATION, AGIP MAY BE "WORKING BOTH SIDES OF THE STREET" ON THIS ONE. BETWEEN 1967 AND TIME FIELDS RELINQUISHED AS A RESULT OF SINAI AGREEMENTS, AGIP PRODUCED OIL FOR ISRAEL FROM ABU RUDEIS AND BELAYIM. END FYI. VANCE

CONFIDENTIAL

NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, MILITARY OCCUPIED AREAS, PETROLEUM CONCESSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE034944
Document Source: CORE
Document Unique ID: 00
Drafter: D E ZWEIFEL:MM
Enclosure: n/a
Executive Order: GS
Errors: n/a
Expiration:
Film Number: D780062-0841
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197802115/aaaafspq.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON MICROFILM, TEXT ON-LINE
Message ID: 35ca21cf-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 ROME 1948
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3465480
Secure: OPEN
Status: <DBA CORRECTED> gwr 970902
Subject: DISPUTED PETROLEUM CONCESSIONS IN SINAI AND GULF OF SUEZ
TAGS: ENRG, EG, IS, IT, US
To: ROME
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/35ca21cf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014